

POTATO AND OTHER COMMODITY PROMOTION PROGRAMS

DECEMBER 21, 1970.—Ordered to be printed

Mr. POAGE, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 1181]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendments of the House to the bill (S. 1181) to provide for potato and tomato programs, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—ADVERTISING PROJECTS: MILK

SEC. 101. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended, by adding at the end of subsection 8c(5) the following new subparagraph (I):

“(I) Establishing or providing for the establishment of research and development projects, and advertising (excluding brand advertising), sales promotion, educational, and other programs, designed to improve or promote the domestic marketing and consumption of milk and its products, to be financed by producers in a manner and at a rate specified in the order, on all producer milk under the order. Producer contributions under this subparagraph may be deducted from funds due producers in computing total pool value or otherwise computing total funds due producers and such deductions shall be in addition to the adjustments authorized by subparagraph (B) of subsection 8c(5). Provision may be made in the order to exempt, or allow suitable adjustments or credits in connection with, milk on which a mandatory checkoff for advertising or marketing research is required under the authority of any State law. Such funds shall be paid to an agency organized by milk producers and producers’

cooperative associations in such form and with such methods of operation as shall be specified in the order. Such agency may expend such funds for any of the purposes authorized by this subparagraph and may designate, employ, and allocate funds to persons and organizations engaged in such programs which meet the standards and qualifications specified in the order. All funds collected under this subparagraph shall be separately accounted for and shall be used only for the purposes for which they were collected. Programs authorized by this subparagraph may be either local or national in scope, or both, as provided in the order, but shall not be international. Order provisions under this subparagraph shall not become effective in any marketing order unless such provisions are approved by producers separately from other order provisions, in the same manner provided for the approval of marketing orders, and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subsection 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order. Notwithstanding any other provision of this Act, as amended, any producer against whose marketings any assessment is withheld or collected under the authority of this subparagraph, and who is not in favor of supporting the research and promotion programs, as provided for herein, shall have the right to demand and receive a refund of such assessment pursuant to the terms and conditions specified in the order."

TITLE II—TOMATO ADVERTISING PROJECTS

SEC. 201. Section 8c(6)(I) of the Agricultural Adjustment Act, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is amended by striking out "or apples" in the first proviso, and inserting in lieu thereof "apples, or tomatoes".

TITLE III—POTATO RESEARCH AND PROMOTION

This title may be cited as the "Potato Research and Promotion Act".

FINDINGS AND DECLARATION OF POLICY

SEC. 302. Potatoes are a basic food in the United States. They are produced by many individual potato growers in every State in the United States. In 1966, there were one million four hundred and ninety-seven thousand acres of cropland in the United States devoted to the production of potatoes. Approximately two hundred and seventy-five million hundred-weight of potatoes have been produced annually during the past five years with an estimated sales value to the potato producers of \$561,000,000.

Potatoes and potato products move, in a large part, in the channels of interstate commerce, and potatoes which do not move in such channels directly burden or affect interstate commerce in potatoes and potato products. All potatoes produced in the United States are in the current of interstate commerce or directly burden, obstruct, or affect interstate commerce in potatoes and potato products.

The maintenance and expansion of existing potato markets and the development of new or improved markets are vital to the welfare of potato growers and those concerned with marketing, using, and processing potatoes as well as the general economic welfare of the Nation.

Therefore, it is the declared policy of the Congress and the purpose of this title that it is essential in the public interest, through the exercise of the powers provided herein, to authorize the establishment of an orderly procedure for the financing, through adequate assessments on all potatoes harvested in the United States for commercial use, and the carrying out of an effective and continuous coordinated program of research, development, advertising, and promotion designed to strengthen potatoes' competitive position, and to maintain and expand domestic and foreign markets for potatoes produced in the United States.

DEFINITIONS

SEC. 303. As used in this title:

- (a) The term "Secretary" means the Secretary of Agriculture.
- (b) The term "person" means any individual, partnership, corporation, association, or other entity.
- (c) The term "potatoes" means all varieties of Irish potatoes grown by producers in the forty-eight contiguous States of the United States.
- (d) The term "handler" means any person (except a common or contract carrier of potatoes owned by another person) who handles potatoes in a manner specified in a plan issued pursuant to this title or in the rules and regulations issued thereunder.
- (e) The term "producer" means any person engaged in the growing of five or more acres of potatoes.
- (f) The term "promotion" means any action taken by the National Potato Promotion Board, pursuant to this title, to present a favorable image for potatoes to the public with the express intent of improving their competitive positions and stimulating sales of potatoes and shall include, but shall not be limited to, paid advertising.

AUTHORITY TO ISSUE A PLAN

SEC. 304. To effectuate the declared policy of this title, the Secretary shall, subject to the provisions of this title, issue and from time to time amend, orders applicable to persons engaged in the handling of potatoes (hereinafter referred to as handlers) and shall have authority to issue orders authorizing the collection of assessments on potatoes handled under the provisions of this title, and to authorize the use of such funds to provide research, development, advertising, and promotion of potatoes in a manner prescribed in this title. Any order issued by the Secretary under this title shall hereinafter in this title be referred to as a "plan". Any such plan shall be applicable to potatoes produced in the forty-eight contiguous States of the United States.

NOTICE AND HEARINGS

SEC. 305. When sufficient evidence is presented to the Secretary by potato producers, or whenever the Secretary has reason to believe that a plan will tend to effectuate the declared policy of this title, he shall give due notice and opportunity for a hearing upon a proposed plan. Such hearing may be requested by potato producers or by any other interested person or persons, including the Secretary, when the request for such hearing is accompanied by a proposal for a plan.

FINDING AND ISSUANCE OF A PLAN

SEC. 306. After notice and opportunity for hearing, the Secretary shall issue a plan if he finds, and sets forth in such plan, upon the evidence introduced at such hearing, that the issuance of such plan and all the terms and conditions thereof will tend to effectuate the declared policy of this title.

REGULATIONS

SEC. 307. The Secretary is authorized to make such regulations with the force and effect of law, as may be necessary to carry out the provisions of this title and the powers vested in him by this title.

REQUIRED TERMS IN PLANS

SEC. 308. Any plan issued pursuant to this title shall contain the following terms and conditions:

(a) Providing for the establishment by the Secretary of a National Potato Promotion Board (hereinafter referred to as "the board") and for defining its powers and duties, which shall include powers—

(1) to administer such plan in accordance with its terms and conditions;

(2) to make rules and regulations to effectuate the terms and conditions of such plan;

(3) to receive, investigate, and report to the Secretary complaints of violations of such plan; and

(4) to recommend to the Secretary amendments to such plan.

(b) Providing that the board shall be composed of representatives of producers selected by the Secretary from nominations made by producers in such manner as may be prescribed by the Secretary. In the event producers fail to select nominees for appointment to the board, the Secretary shall appoint producers on the basis of representation provided for in such plan.

(c) Providing that board members shall serve without compensation, but shall be reimbursed for reasonable expenses incurred in performing their duties as members of the board.

(d) Providing that the board shall prepare and submit to the Secretary for his approval a budget, on a fiscal period basis, of its anticipated expenses and disbursements in the administration of the plan, including probable costs of research, development, advertising, and promotion.

(e) Providing that the board shall recommend to the Secretary and the Secretary shall fix the assessment rate required for such costs as may be incurred pursuant to subsection (d) of this section; but in no event shall the assessment rate exceed 1 cent per one hundred pounds of potatoes handled.

(f) Providing that—

(1) funds collected by the board shall be used for research, development, advertising, or promotion of potatoes and potato products and such other expenses for the administration, maintenance, and functioning of the board, as may be authorized by the Secretary;

(2) no advertising or sales promotion program shall make any reference to private brand names or use false or unwarranted claims in behalf of potatoes or their products or false or unwarranted statements with respect to the attributes or use of any competing products; and

(3) no funds collected by the board shall in any manner be used for the purpose of influencing governmental policy or action, except as provided by subsection (a) (4) of this section.

(g) Providing that, notwithstanding any other provisions of this title, any potato producer against whose potatoes any assessment is made and collected under authority of this title and who is not in favor of supporting the research and promotion program as provided for under this title shall have the right to demand and receive from the board a refund of such assessment: Provided, That such demand shall be made personally by such producer in accordance with regulations and on a form and within a time period prescribed by the board and approved by the Secretary, but in no event less than ninety days, and upon submission of proof satisfactory to the board that the producer paid the assessment for which refund is sought, and any such refund shall be made within sixty days after demand therefor.

(h) Providing that the board shall, subject to the provisions of subsections (e) and (f) of this section, develop and submit to the Secretary for his approval any research, development, advertising or promotion programs or projects, and that any such program or project must be approved by the Secretary before becoming effective.

(i) Providing the board with authority to enter into contracts or agreements, with the approval of the Secretary, for the development and carrying out of research, development, advertising or promotion programs or projects, and the payment of the cost thereof with funds collected pursuant to this title.

(j) Providing that the board shall maintain books and records and prepare and submit to the Secretary such reports from time to time as may be prescribed for appropriate accounting with respect to the receipt and disbursement of funds entrusted to it and cause a complete audit report to be submitted to the Secretary at the end of each fiscal period.

PERMISSIVE TERMS IN PLANS

SEC. 309. Any plan issued pursuant to this title may contain one or more of the following terms and conditions:

(a) Providing authority to exempt from the provisions of the plan potatoes used for nonfood uses, and authority for the board to require satisfactory safeguards against improper use of such exemptions.

(b) Providing for authority to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures utilized in different production areas.

(c) Providing for the establishment, issuance, effectuation, and administration of appropriate programs or projects for the advertising and sales promotion of potatoes and potato products and for the disbursement of necessary funds for such purposes: Provided, however, That any such program or project shall be directed toward increasing the general demand for potatoes and potato products: And provided further, That such promotional activities shall comply with the provisions of section 308(f) of this title.

(d) Providing for establishing and carrying on research and development projects and studies to the end that the marketing and utilization of potatoes may be encouraged, expanded, improved, or made more efficient, and for the disbursement of necessary funds for such purposes.

(e) Providing for authority to accumulate reserve funds from assessments collected pursuant to this title, to permit an effective and continuous

coordinated program of research, development, advertising, and promotion in years when the production and assessment income may be reduced: Provided, That the total reserve fund does not exceed the amount budgeted for two years' operation.

(f) Providing for authority to use funds collected herein, with the approval of the Secretary, for the development and expansion of potato and potato product sales in foreign markets.

(g) Terms and conditions incidental to and not inconsistent with the terms and conditions specified in this title and necessary to effectuate the other provisions of such plan.

ASSESSMENTS

SEC. 310. (a) Each handler designated by the board, pursuant to regulations issued under the plan, to make payment of assessments shall be responsible for payment to the board, as it may direct, of any assessment levied on potatoes; and such handler may collect from any producer or deduct from the proceeds paid to any producer, on whose potatoes such assessment is made, any such assessment required to be paid by such handler. Such handler shall maintain a separate record with respect to each producer for whom potatoes were handled, and such records shall indicate the total quantity of potatoes handled by him including those handled for producers and for himself, shall indicate the total quantity of potatoes handled by him which are included under the terms of a plan as well as those which are exempt under such plan, and shall indicate such other information as may be prescribed by the board. To facilitate the collection and payment of such assessments, the board may designate different handlers or classes of handlers to recognize differences in marketing practices or procedures utilized in any State or area. No more than one such assessment shall be made on any potatoes.

(b) Handlers responsible for payment of assessments under subsection (a) of this section shall maintain and make available for inspection by the Secretary such books and records as required by the plan and file reports at the times, in the manner, and having the content prescribed by the plan, to the end that information and data shall be made available to the board and to the Secretary which is appropriate or necessary to the effectuation, administration, or enforcement of this title or of any plan or regulation issued pursuant to this title.

(c) All information obtained pursuant to subsections (a) and (b) of this section shall be kept confidential by all officers and employees of the Department of Agriculture and of the board, and only such information so furnished or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the direction, or upon the request, of the Secretary, or to which he or any officer of the United States is a party, and involving the plan with reference to which the information to be disclosed was furnished or acquired. Nothing in this section shall be deemed to prohibit—

(1) the issuance of general statements based upon the reports of a number of handlers subject to a plan if such statements do not identify the information furnished by any person, or

(2) the publication by direction of the Secretary of the name of any person violating any plan together with a statement of the particular provisions of the plan violated by such person.

Any such officer or employee violating the provisions of this subsection shall upon conviction be subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both, and shall be removed from office.

PETITION AND REVIEW

SEC. 311. (a) Any person subject to a plan may file a written petition with the Secretary, stating that such plan or any provision of such plan or any obligation imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom. He shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations made by the Secretary. After such hearing, the Secretary shall make a ruling upon the prayer of such petition which shall be final, if in accordance with law.

(b) The district courts of the United States in any district in which such person is an inhabitant, or has his principal place of business, are hereby vested with jurisdiction to review such ruling: Provided, That a complaint for that purpose is filed within twenty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the Secretary by delivering to him a copy of the complaint. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires. The pendency of proceedings instituted pursuant to subsection (a) of this section shall not impede, hinder, or delay the United States or the Secretary from obtaining relief pursuant to section 312(a) of this title.

ENFORCEMENT

SEC. 312. (a) The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any plan or regulation made or issued pursuant to this title.

(b) Any handler who violates any provisions of any plan issued by the Secretary under this title, or who fails or refuses to remit any assessment or fee duly required of him thereunder shall be subject to criminal prosecution and shall be fined not less than \$100 nor more than \$1,000 for each such offense.

INVESTIGATION AND POWER TO SUBPENA

SEC. 313. (a) The Secretary may make such investigations as he deems necessary for the effective carrying out of his responsibilities under this title or to determine whether a handler or any other person has engaged or is engaging in any acts or practices which constitute a violation of any provision of this title, or of any plan, or rule or regulation issued under this title. For the purpose of any such investigation, the Secretary is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpoena issued to, any person, including a handler, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers,

and documents; and such court may issue an order requiring such person to appear before the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. The site of any hearings held under this section shall be within the judicial district where such handler or other person is an inhabitant or has his principal place of business.

(b) No person shall be excused from attending and testifying or from producing books, papers, and documents before the Secretary, or in obedience to the subpoena of the Secretary, or in any cause or proceeding, criminal or otherwise, based upon, or growing out of any alleged violation of this title, or of any plan, or rule or regulation issued thereunder on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that any individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

REQUIREMENT OF REFERENDUM

SEC. 314. The Secretary shall conduct a referendum among producers who, during a representative period determined by the Secretary, have been engaged in the production of potatoes for the purpose of ascertaining whether the issuance of a plan is approved or favored by producers. No plan issued pursuant to this title shall be effective unless the Secretary determines that the issuance of such plan is approved or favored by not less than two-thirds of the producers voting in such referendum, or by the producers of not less than two-thirds of the potatoes produced during the representative period by producers voting in such referendum, and by not less than a majority of the producers voting in such referendum. The ballots and other information or reports which reveal or tend to reveal the vote of any producer or his production of potatoes shall be held strictly confidential and shall not be disclosed. Any officer or employee of the Department of Agriculture violating the provisions hereof shall upon conviction be subject to the penalties provided in paragraph 310(c) above.

SUSPENSION OR TERMINATION OF PLANS

SEC. 315. (a) The Secretary shall, whenever he finds that a plan or any provision thereof obstructs or does not tend to effectuate the declared policy of this title, terminate or suspend the operation of such plan or such provision thereof.

(b) The Secretary may conduct a referendum at any time and shall hold a referendum on request of the board or of 10 per centum or more of the potato producers to determine if potato producers favor the termination or suspension of the plan, and he shall terminate or suspend such plan at the end of the marketing year whenever he determines that such suspension or termination is favored by a majority of those voting in a referendum, and who produce more than 50 per centum of the volume of the potatoes produced by the potato producers voting in the referendum.

AMENDMENT PROCEDURE

SEC. 316. The provisions of this title applicable to plans shall be applicable to amendments to plans.

SEPARABILITY

SEC. 317. If any provision of this title or the application thereof to any person or circumstances is held invalid, the validity of the remainder of this title and of the application of such provision to other persons and circumstances shall not be affected thereby.

AUTHORIZATION

SEC. 318. There is hereby made available from the funds provided by section 32 of Public Law 320, Seventy-fourth Congress (49 Stat. 774), as amended (7 U.S.C. 612c), such sums as are necessary to carry out the provisions of this title: Provided, That no such sum shall be used for the payment of any expenses or expenditures of the board in administering any provision of any plan issued under authority of this title.

EFFECTIVE DATE

SEC. 319. This title shall take effect upon enactment.

TITLE IV—RESTRICTIONS ON IMPORTED COMMODITIES

SEC. 401. Section 8e of the Agricultural Adjustment Act of 1933, as amended, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and as amended by the Agricultural Act of 1961, is amended by inserting in the first sentence thereof between "tomatoes" and "avocados," the following: "raisins, olives (other than Spanish-style green olives), prunes".

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

An Act to provide authority for promotion programs for milk, tomatoes, and potatoes, and to amend section 8e of the Agricultural Adjustment Act, as reenacted and amended, to provide for the extension of restrictions on imported commodities imposed by such section to imported raisins, olives, and prunes.

And the Senate agree to the same.

W. R. POAGE,
THOMAS S. FOLEY,
JOSEPH P. VIGORITO,
B. F. SISK,
CHARLES M. TEAGUE,
WILLIAM C. WAMPLER,

Managers on the Part of the House.

ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
JAMES O. EASTLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendment of the House to the bill, S. 1181, to provide authority for promotion programs for milk, tomatoes and potatoes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The House passed S. 1181 with an amendment incorporating the language of H.R. 18884. Thereafter the Senate struck the House amendment to S. 1181 and inserted in lieu thereof the language of S. 4560. The Senate amendment to the House amendment, while dealing with the same subject matter, differed in two material respects: (1) The Senate language restricted the authority to amend marketing orders for the purpose of authorizing research and promotion checkoff programs to tomatoes; the House version would have authorized research and promotion amendments to all marketing orders. (2) Additionally, the Senate-passed bill deleted the restriction against the importation of olives (except Spanish-style green olives), raisins, and prunes unless they are able to comply with standards applicable to domestically produced commodities on the basis of grade, size, quality and maturity.

The amendment herewith reported embodies the agreement of the conferees on the various points of difference in the House bill and the Senate amendment.

The conference substitute follows the structure of the House bill as to the order and arrangement of titles.

Following is a discussion of the substitute amendment as agreed to by the conferees:

TITLE I—ADVERTISING PROJECTS MILK

This title of the conference substitute is identical to the version passed by both the House and Senate.

TITLE II—TOMATO ADVERTISING PROJECTS

The conference substitute is identical to the language approved by the Senate. The House-passed bill would have authorized amendments to marketing orders for all commodities (other than milk) for the establishment of research and development projects, and advertising (excluding brand advertising), sales promotion, educational and other programs designed to promote domestic marketings and consumption. The conferees agreed to extend this authority only to tomato marketing orders.

TITLE III—POTATO RESEARCH AND PROMOTION

The language of this title is identical to that which passed both the House and the Senate.

TITLE IV—RESTRICTIONS ON IMPORTED COMMODITIES

The language of this title is identical to that which was contained in the House-passed bill. The Senate bill was silent on this subject.

Briefly stated this title would provide that if domestic orders adopt standards controlling grade, size, quality and maturity with respect to the marketing of olives (other than Spanish-style green olives), raisins, and prunes, then imported commodities must also comply with these same standards.

In view of the addition of Title IV, described above, the title of the bill has, of necessity, been amended.

W. R. POAGE,
THOMAS S. FOLEY,
JOSEPH P. VIGORITO,
B. F. SISK,
CHARLES M. TEAGUE,
WILLIAM C. WAMPLER,
Managers on the Part of the House.

